JANARDHAN POOJARI): (a) to (c) Reserve Bank of India (RBI) has reported that it considers extending specific relaxations in credit facilities to industrial|commercial borrowers in areas which may be affected by particular problems such as natural calamities. political disturbances, etc. RBI has also reported that conditions of sick units in West Bengal do not call for any such relaxation. The commerical banks consider sanction of working capital limits to various units depending upon merits of each case according to guidelines issued by RBI from time to time.

**Directive to Nationalised Banks in West Bengal in Respect of Sick Industries**

786. SHRI NIRMAL CHATTERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether in view of large number of sick and closed industries in the State rendering lakhs of people unemployed, Goverment propose to direct the nationalised banks operating in West Bengal to reduce the margin requirements to a maximum of 15 per cent in deserving cases for advancing against commodities not covered by selective credit controls in order to help the State to combat economic recovery;

(b) if so, by when such a direction is likely to be issued; and

(c) if not, what are the reasons for the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) Reserve Bank of India considers granting specific relaxations in credit facilities, in areas affected by particular problems like natural calamities, political disturbances, etc. The position of sick units in West Bengal does not necessitate a specific relaxation as regards reduction in margin for extending financial assistance to sick units.

**Monitoring of the working of nationalised Banks by States**

787. SHRI NIRMAL CHATTERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether in order to extend the socio-economic benefits to all people in the country the Union Government propose to empower State Governments to monitor the working tf nationalised banks;

(b) if so, by what time a decision in this regard is likely to be taken; and

(c) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) The Public Sector Banks account for over 90 per cent of the total banking business in the country. The banking sector, besides Central Government. is also monitored by Reserve Bank of India as a central banking authority in terms of the powers vested under Banking Regulation Act, 1949 and Reserve Bank of India Act, 1934. The functioning of banks cuts across the State boundaries and the entire banking policy is oriented towards reducing of regional imbalances both in terms of branch net work as also dispensation of credit which would require centralised directions. In the circumstances it may not be possible to subject the banks to State control. Nevertheless States also play a role in the functioning of the banks through a number of committees formed at the State level such as State level Co-ordination|Consultative Committee, State Level Bankers' Committee. State level Inter Institutional Committee and District Consultative Committee. These committees which include representatives from respective States are involved in the drawing up of the District Credit Plans and Annual Action Plans and their implementation is monitored by them at periodical intervals. In regard to

opening of branches, States have an important role to play as they are associated at the time of identification and selection of centres which are sent to Reserve Bank of India by the State Governments. The State Governments have also been increasingly involved in the financing of the development activities by the commercial banks, especially in the programmes for alleviation of poverty.

**Working of Nationalised Banks in West Bengal**

788. SHRI SHANTIMOY GHOSH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the nationalised banks operating in West Bengal are ignoring NABARD's advice to take up a case to case review of all defaulting borrowers and initiate action to reschedule repayments in deserving cases;

(b) if so, how Government are allowing such unresponsiveness in the banking sector; and

(c) what action Government propose to take to clear the mess?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) NABARD had advised all scheduled commercial banks to conduct a case by case analysis of the defaulter borrowers for the twin purpose of providing relief to the deserving borrowers and improve the recovery position.

Reports received by NABARD in this connection indicate that most of the banks are yet to take up the case by case analysis in a big way. NABARD has further reported that it is pursuing this matter with all the banks to ensure that this exercise is completed early in all States.

**Undertaking of Civil Construction work in Soviet Union by Indian Companies**

789. SHRIMATI KRISHNA KAUL: SHRI K. VASUDEVA PANICKER:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether it is a fact that same Indian companies are likely to undertake civil construction work in the Soviet Union; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. R. NARAYANAN): (a) and (b) It is learnt that few Indian companies, mainly in the private sector, was negotiating with Soviet organisation for civil construction work in USSR. Negotiations are in progress. Details regarding the result would be known as and when any firm contract or agreement has been finalised between the two sides.

**Public Sector Banks Economists Meet**

790. SHRIMATI KRISHNA KAUL: SHRI K. VASUDEVA PANICKER:

Will the Minister of FINANCE be pleased to state:

(a) whether Ninth-Public Sector banks economists meet was held in Delhi on 31st May, 1986;

(b) if so, what are the details of the discussion held; and

(c) what is the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) Ninth Public Sector Banks Economists' meet was held in Delhi on 30th May to 1st June, 1986. The following topics were discussed in the Five sessions of the meeting:—

(i) Implementation of the Report of the Committee on Monetary system for Banks;